



March 7, 2019

Ex Parte

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th St. SW
Washington, D.C. 20554

Re: USTelecom Ex Parte Notice, WC Dkt. No. 18-155, *Updating the Intercarrier Compensation Regime to Eliminate Access Arbitrage*

Dear Ms. Dortch:

On March 5, 2019, USTelecom and several of its members met with members of the Wireline Competition Bureau and the Office of Economics and Analytics to discuss ending intercarrier compensation arbitration. The full list of participants is listed as Appendix A.

Industry participants described how arbitration schemes artificially inflate traffic by purposefully locating in remote areas,¹ and therefore increasing terminating costs borne by IXC's. Industry also described the ways that some arbitrageurs may be able to move around to increase their revenues; doing so could make it difficult for the terminating carriers to develop alternative network designs, like direct connections, that could provide an alternative path forward. Industry participants also stated that they continue to see revenue sharing agreements and traffic imbalances that comport with the existing definition of an access stimulator,² though considered that other forms of arbitration may exist beyond that strictly comporting to the current definition. Industry participants asked the Commission to move quickly in establishing further rules that will effectively end the incentives for continued access arbitration.

Please contact me with any questions.

Sincerely,

_____/s/_____
Mike Saperstein
Vice President, Law & Policy

cc: Meeting Participants

¹ See, e.g., Letter from Matthew Nodine, AT&T Services, Inc., to Marlene H. Dortch, FCC, WC Docket No. 18-155, at 3 (filed Feb. 5, 2019) (demonstrating that twice as many minutes flow to Redfield, SD, than to New York City).

² 47 CFR § 61.3(bbb)(1).

Appendix A: Meeting Participants

FCC Wireline Competition Bureau

- Irina Asoskov
- Lisa Hone
- Susan Bahr
- Allison Baker
- Lynne Engledow
- Al Lewis
- Gil Strobel
- Erik Raven-Hansen
- David Zesiger

FCC Office of Economics and Analytics

- Richard Kwiatkowski
- Eric Ralph
- Shane Taylor

Industry

- AT&T: Matt Nodine, Philip Bowie (via phone), Saikat Sen
- CenturyLink: Joe Cavender, Tim Boucher (via phone), Julie Ward (via phone)
- Consolidated: Mike Skrivan (via phone)
- Frontier: AJ Burton
- USTelecom: Mike Saperstein
- Verizon: Tamara Preiss
- Windstream: Thomas Whitehead (via phone)